
DIGEST

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HB 396 Original

2019 Regular Session

Anders

Abstract: Relative to bank operating subsidiaries, provides conditions for a state bank to hold immovable property in perpetuity, provides for permitted conduct by a state bank through a wholly-owned operating subsidiary, provides a notice requirement, and provides applicability provisions.

Present law allows a state bank to hold immovable property in perpetuity, exempt from the divestiture requirements in present law, if all of the following conditions are met:

- (1) The property is not being operated by the financial institution as an ongoing business.
- (2) The property has been written down to the value of one dollar on the books of the bank.
- (3) The property has been transferred into a subsidiary of the bank.

Proposed law retains present law and adds the condition that written approval has been obtained from commissioner.

Proposed law provides that a state bank may, through a wholly-owned operating subsidiary, conduct any activity or make any investment that a state bank or national bank is authorized to conduct or make under present law.

Proposed law requires a state bank that establishes a subsidiary in accordance with proposed law to provide the commissioner written notice within the 30 days following the establishment of the subsidiary or commencement of the new activity in the subsidiary.

Proposed law requires a state bank to obtain written approval from the commissioner in order to conduct any activity through the subsidiary, except as provided for in proposed law.

Proposed law provides that proposed law shall be applicable to associations in the same manner as they are applicable to banks.

Proposed law provides that proposed law shall be applicable to savings banks in the same manner as they are applicable to banks.

(Amends R.S. 6:822 and 1229.1; Adds R.S. 6:243(C)(1)(d) and 246)